

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 NEA-10 ISO-00 IO-13 CIAE-00 DODE-00  
PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01  
PRS-01 SP-02 SS-15 USIA-06 ACDA-12 EB-08 OMB-01  
AID-05 TRSE-00 HA-05 /123 W  
-----023187 171811Z /70

R 170925Z NOV 77  
FM AMEMBASSY VALLETTA  
TO SECSTATE WASHDC 7744  
INFO AMEMBASSY ALGIERS  
AMEMBASSY BONN  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
USLO PEKING  
AMEMBASSY ROME  
AMEMBASSY TRIPOLI  
USMISSION USNATO

C O N F I D E N T I A L SECTION 1 OF 2 VALLETTA 1345

E.O. 11652: GDS  
TAGS: PFOR, MT, CH, UR, MY  
SUBJECT: MINTOFF REVIEWS HIS RECENT TRIP TO THE PRC AND  
OTHER NATIONS

REF: VALLETTA 1311 (NOTAL), PEKING 2636,

1. SUMMARY: PRIME MINISTER MINTOFF DISCUSSED HIS RECENT  
TRIP IN PARLIAMENT ON NOVEMBER 14. HE CONTINUED HIS CRITICAL  
ASSESSMENT OF USSR TREATMENT OF MALTA, PRAISED THE PRC  
FOR ITS POLITICAL AND ECONOMIC SUPPORT, REVIEWED THE  
RATHER STANDARD JOINT COMMUNIQUE WITH MALAYSIA AND  
SPOKE POSITIVELY ABOUT HIS DISCUSSIONS WITH ITALIAN  
POLITICAL LEADERS. MINTOFF DOES NOT SEEM TO HAVE OBTAINED  
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THE DEGREE OF ECONOMIC ASSISTANCE FROM THE PRC FOR THE  
MARSAXLOKK HARBOR PROJECT THAT HAD BEEN EXPECTED. END SUMMARY.

2. ON NOVEMBER 14 PRIME MINISTER MINTOFF REPORTED TO PARLIAMENT  
ON HIS RECENT TRIP TO CHINA AND OTHER COUNTRIES. DURING  
THE COURSE OF HIS PRESENTATION, HE COMMENTED ON MALTA'S  
RELATIONS WITH THE USSR, CHINA, MALAYSIA AND ITALY. THE

FOLLOWING IS TAKEN FROM LOCAL PRESS REPORTS OF HIS SPEECH.

A. USSR-MALTA RELATIONS - STRAINED. MINTOFF STATED THAT RELATIONS BETWEEN THE USSR AND MALTA WERE POOR EVEN BEFORE THE SOVIET AMBASSADOR WALKED OUT DURING THE BANQUET AT PEKING. ALTHOUGH MALTA'S POLICY TOWARD NATO AND BRITAIN WERE MOTIVATED STRICTLY BY MALTA'S NATIONAL INTERESTS, IT WAS INCIDENTALLY AGREEABLE TO THE SOVIETS. HE WAS THEREFORE DISAPPOINTED THAT THE SOVIET UNION HAD BEEN SO "MISERLY" AND NOT PROVIDED FINANCIAL AID TO THE MALTESE GOVERNMENT DURING THE 1971-72 DISPUTE WITH BRITAIN AND NATO. HE EMPHATICALLY DENIED, HOWEVER, THAT THERE HAD BEEN ANY "UNDERHANDED AGREEMENT WITH RUSSIA TO FOLLOW SUCH A POLICY" AND POINTED TO THE ABSENCE OF RUSSIAN ECONOMIC ASSISTANCE AS PROOF THAT THIS WAS THE CASE. MINTOFF STATED THAT THE MALTESE GOVERNMENT HAD BEEN APPROACHED BY THE RUSSIANS ON SEVERAL OCCASIONS CONCERNING THE ESTABLISHMENT OF A SOVIET EMBASSY IN MALTA. HE SAID HE WOULD REFUSE TO AGREE TO A RUSSIAN EMBASSY HERE UNTIL HE WAS CONVINCED THAT THE SOVIETS HAVE A "SERIOUS ATTITUDE" ON TRADE AND ECONOMIC COOPERATION. OTHERWISE, A SOVIET EMBASSY WOULD MERELY SERVE TO "SPY ON OTHERS" AND TO BE USED "FOR UNDERCOVER ACTIVITIES". MALTA WELCOMED AID FROM ANY SOURCE BUT ONLY IF IT HAS NO STRINGS AND HELPS STRENGTHENS MALTA'S NEUTRAL STANCE. MINTOFF EXPRESSED SURPRISE THAT THE USSR WALKED OUT OF THE GREAT HALL BECAUSE OF HIS COMMENTS AS THEY HAD "PATIENTLY SUFFERED

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ATTACKS BY THE CHINESE DEPUTY PREMIER." HE STATED THAT THE CHINESE HAD TOLD HIM THEY WERE ALSO SURPRISED BECAUSE THERE WAS NOTHING IN MINTOFF'S SPEECH WICH "DID NOT CORRESPOND TO THE TRUTH."

B. PRC-MALTA RELATIONS -- BETTER THAN EVER. MINTOFF COMMENTED THAT THE WELCOME AWAITING THE MALTESE DELEGATION IN CHINA WAS COMPARABLE TO THAT RESERVED FOR CHINA'S MOST FRIENDLY STATES. FURTHERMORE, THE FRIENDSHIP THAT HAD PREVIOUSLY EXISTED BETWEEN CHINA AND MALTA HAD IN FACT EVEN INCREASED UNDER THE NEW LEADERS OF THE PRC. CHINA HAD EXPRESSED PARTICULAR SATISFACTION WITH MALTA'S POLICY OF NEUTRALITY AND SUPPORTS MALTA AND ITS NEIGHBORS IN THEIR DIFFICULT TASK OF FREEING THE MEDITERRANEAN FROM "THE OBSTACLES" OF THE TWO SUPERPOWERS. ON THE ECONOMIC SIDE TWO PROTOCOLS WERE SIGNED (TEXTS POUCHED). ONE PROVIDES FOR ESTABLISHING A NEW FACTORY FOR PRODUCTION OF NUTS AND BOLTS AND A FACTORY FOR MAKING WELDING ELECTRODES. THIS PROTOCOL FALLS UNDER THE APRIL 30, 1972 LOAN AGREEMENT BETWEEN CHINA AND MALTA. THE SECOND PROTOCOL CONCERNS CHINESE TECHNICAL COOPERATION FOR THE DESIGN AND CONSTRUCTION OF A NEW BREAKWATER FOR MARSAXLOKK, BUT THIS

IS TO BE FULLY FINANCED BY MALTA, INCLUDING THE COSTS OF CHINESE ENGINEERING AND TECHNICAL PERSONNEL. A STUDY GROUP WILL ARRIVE IN MALTA THE FIRST QUARTER OF 1978. THE MARSAXLOKK PROJECT PROTOCOL IS NOT UNDER THE 1972 LOAN AGREEMENT. IN RESPONSE TO OPPOSITION QUESTIONS ABOUT REPAYMENT OF LOANS FROM THE 1972 AGREEMENT, MINTOFF POINTED OUT THAT THE CHINESE HAD ORDERED SHIPS FROM MALTA'S DRYDOCKS AND HAD ALSO HELPED WITH TRANSSHIPMENT WHICH HE SAID ARE ACCEPTABLE WAYS TO REPAY THE LOAN IN ADDITION TO MALTESE EXPORTS TO CHINA.

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C. MALAYSIA-MALTESE RELATIONS -- MORE FORM THAN SUBSTANCE. DURING THE TWO DAYS MINTOFF WAS IN MALAYSIA A JOINT COMMUNIQUE WAS DRAWN UP AND SIGNED IN WHICH THE GOOD RELATIONS EXISTING BETWEEN MALTA AND MALAYSIA WERE NOTED AND THE NEED TO TRANSLATE THIS GOOD WILL INTO CONCRETE COOPERATION WAS STRESSED. IN THE COMMUNIQUE, THE TWO PRIME MINISTERS EXPRESSED THEIR COMMON CONVICTION THAT ACHIEVEMENT OF A NEW INTERNATIONAL ECONOMIC ORDER WAS A HIGH PRIORITY AND THAT PROTECTIONISM POSED A SERIOUS THREAT TO THE STABILITY AND PROGRESS OF DEVELOPING COUNTRIES. THE MALAYSIANS

INDICATED THEIR WILLINGNESS TO USE MALTA WHENEVER POSSIBLE  
AS A TRANSSHIPMENT, DISTRIBUTION AND PROCESSING POINT FOR  
MALAYSIAN EXPORTS AND ALSO TO EXAMINE THE POSSIBILITY OF  
JOINT VENTURES IN MALTA. MALAYSIA INTENDS TO SEND AN  
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ECONOMIC AND TRADE MISSION TO MALTA EARLY NEXT YEAR.

D. ITALIAN-MALTESE RELATIONS -- AN OLIVE BRANCH  
OFFERED? MINTOFF WAS NOTABLY POSITIVE IN HIS COMMENTS  
ABOUT HIS STOPOVERS IN ROME. IN DISCUSSING HIS PROBLEMS  
WITH THE SOVIET UNION HE CITED ITALY ALONG WITH CHINA AS  
FRIENDLY STATES WITH WHOM MALTA HAS GOOD RELATIONS. HE  
REPORTED THAT HE HAD TALKED TO MORO AND GALLONI FROM THE  
DC; BERLINGUER, PAJETTA AND SEGRE FROM THE PCI; AIELLO,  
CRAXI AND THE INTERNATIONAL SECRETARY (NAME FORGOTTEN) FROM  
THE PSI. MINTOFF CLAIMED THAT THESE THREE PARTIES HAVE  
ALWAYS SUPPORTED MALTA'S POLICIES OF GETTING RID OF THE  
NATO BASE AFTER 1979 AND OF NEUTRALITY. HE ALSO STATED  
THAT "NEW STEPS" WERE AGREED TO WITH THEM ON WAYS TO  
STRENGTHEN THIS POLICY.

E. MINTOFF BRIEFLY TOUCHED ON HIS STOPS IN KARACHI,  
HONG KONG, SINGAPORE AND BAHREIN, NONE OF WHICH APPARENTLY  
RESULTED IN EXCHANGES OF MAJOR SIGNIFICANCE.

3. COMMENT: MINTOFF'S REPORT TO THE PARLIAMENT IS  
NOTEWORTHY IN SEVERAL RESPECTS. FIRST, HIS STRAIGHT  
FORWARD DISCUSSION OF SOVIET-MALTESE RELATIONS CONTINUED  
DOWN THE SAME PATH AS HIS PREVIOUS PRONOUNCEMENTS ON THIS  
ISSUE. THERE IS SOME EVIDENCE THAT THIS MESSAGE MAY BE  
GETTING THROUGH TO THE SOVIET UNION WHICH HAS, OVER THE  
PAST FEW MONTHS, SHARPLY INCREASED ITS USE OF MALTA'S  
PORTS FOR TRANSSHIPMENT PURPOSES. WHETHER THE RUSSIANS  
WILL EVER BE ABLE TO SATISFY MINTOFF'S DEMANDS FOR TRADE  
AND AID, HOWEVER, REMAIN VERY MUCH AN OPEN QUESTION,  
ESPECIALLY AS LONG AS MINTOFF WANTS TO PURSUE CLOSE  
RELATIONS WITH THE PRC. SECONDLY, ONE OF THE MAJOR PURPOSES  
OF MINTOFF'S TRIP -- FINANCIAL BACKING FOR THE MARSAXLOKK  
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HARBOR PROJECT -- MAY HAVE BEEN LESS SUCCESSFUL THAN MINTOFF  
HAD HOPED. THE ARRANGEMENTS ON MARSAXLOKK MADE WITH  
THE CHINESE APPEAR TO BE CLOSE TO A COMMERCIAL DEAL, I.E.,  
MALTA BUYING TECHNICAL ASSISTANCE FROM THE CHINESE. THE  
MARSAXLOKK PROJECT IS ESTIMATED TO COST AROUND 100 MILLION

US DOLLARS AND THUS FAR , MALTA HAS ONLY A TENTATIVE 15  
MILLION DOLLAR LOAN FROM SAUDI ARABIA. THIRDLY, MINTOFF'S  
COMMENTS ON ITALY WERE FAIRLY POSITIVE. BY PLACING ITALY  
IN THE SAME "FRIENDLY NATION" CATEGORY AS CHINA HE MAY BE  
TRYING TO TELL THE ITALIANS THAT HE IS READY TO RESUME HIS  
DIALOGUE WITH THEM. WE HAVE NO INFORMATION ON WHAT THE  
"NEW STEPS" AGREED TO BY THE LEADERS OF THE THREE POLITICAL  
PARTIES ACTUALLY ARE. ANY COMMENT WHICH EMBASSY ROME MAY  
HAVE WOULD BE WELCOME. LAINGEN

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## Message Attributes

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